(b) if so, the number of mutual funds proposed to be investigated, that were started during the last five years since 2004; and

(c) by when the investigations are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) and (c) Do not arise.

Challenges facing LIC

1072. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether to face the challenges posed by the private insurance sector, Life Insurance Corporation (LIC) has drawn up plans to hire 11 lakh more agents against 45,000 by the combined private sector;

(b) whether to make a dent in LIC market share the private players are recruiting high-profile agents to expand their business and market reach; and

(c) whether there has been a high rate of attrition in LIC from where senior and high profile agents are seeking to switch over to the private insurance sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The Life Insurance Corporation of India (LIC) has reported that it is projecting to double its Agency force in a span of 3 to 4 years. To achieve this objective, LIC has increased the recruitment of Development Officers and has introduced a new channel of Chief Life Insurance Advisors (CLIA). LIC has reported that as on 31.01.2009, the total number of Agents on its rolls is 13,09,711. In the current year, up to 31.01.2009, LIC has reported a net increase of 1,15,967 Agents.

The attrition rate of senior/high profile agents of LIC has not gone up. This is because of the unique set of incentives/benefits that LIC makes available to its performing/senior agents.

Forecast by IMF

1073. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund (IMF) has forecast 2009 as the economically worst year for the world after World War-II;

(b) whether the IMF has also pegged down the projected growth rate for India at 5.1 per cent; and

(c) if so, Government's comments thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. In its World Economic Outlook (WEO) update released in January, 2009,

the International Monetary Fund (IMF) has projected World growth to fall to 0.5 per cent in 2009 on purchasing power parity (PPP) basis, its lowest rate since World War II.

(b) yes, Sir. In its World Economic Outlook (WEO) update released in January, 2009, the International Monetary Fund (IMF) has projected India's growth at 5.1 per cent during 2009.

(c) As per Advance Estimates released by the Central Statistical Organisation (CSO), the growth rate of Gross Domestic Product (GDP) at factor cost at constant (1999-2000) prices for financial year 2008-09 (*i.e.* April, 2008 to March, 2009) has been estimated to be 7.1 per cent.

There is a range of growth rates which have been projected by different persons and bodies in various fora. The IMF projection for the year 2009 is on calendar year basis, which would roughly correspond to our financial year 2009-10 for which growth estimates are not yet available.

Adequate measures are being taken by the Government to protect the economy from the adverse impact of the ongoing global financial crisis.

Effects of globalization

1074. SHRI MOINUL HASSAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the fudging of accounts in Satyam Computer clearly cautions against the evil effects of the capitalist economy and the influence of competitive market forces on corporate sectors; and

(b) if so, whether Government will seriously introspect the effects of globalization in India, especially in the context of the global financial crisis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The fudging of accounts in Satyam Computer is an isolated incidence. Elaborate norms on corporate governance and related provisions/regulations in various statutes such as Companies Act 1956, Securities and Exchange Board of India Act, 1992 etc. reduce adverse effects of unbridled market forces.

(b) Further reforms of the Indian financial sector will focus on appropriate regulation of various parts of the system based on the risks they pose to the system. The opacity of OTC markets, excess leverage and regulatory gaps are the major causes of the present crisis. The Indian reform effort has always emphasized greater role for exchange traded markets for greater transparency and minimizing/eliminating counterparty risks.

Flights of money from the country

1075. SHRI MOINUL HASSAN: Will the Minister of FINANCE be pleased to state:

(a) whether Indian economy is growing at eight per cent per annum;